

Office of the Attorney General Paul G. Summers

NEWS RELEASE

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FEDEX TO RESTRICT CIGARETTE SHIPMENTS TO HELP REDUCE YOUTH SMOKING

Attorney General Paul G. Summers today announced that FedEx Express and FedEx Ground (FedEx) have agreed to change their business practices to strengthen policies prohibiting the delivery of cigarettes to consumers throughout the United States.

"We commend FedEx for addressing our concerns in joining in this important effort," said Attorney General Summers of the Tennessee-based firm. "We appreciate FedEx responding to the letter I sent on behalf of a group of attorneys general, and thus acting responsibly to protect the children of Tennessee from obtaining tobacco products purchased over the Internet."

FedEx's current policy already prohibits tobacco sellers from using its services to ship tobacco products to consumers in the United States. Under the multistate agreement, FedEx will take disciplinary action against companies that violate its tobacco shipping policy, including terminating services for shippers who repeatedly violate the policy. FedEx will also work with the Attorney General's Office to root out shippers that traffic in illegal cigarette sales. Today's agreement covers Federal Express Corporation, FedEx Ground Shipment Systems, Inc., and their affiliated companies.

The FedEx agreement is part of a continuing effort of a multistate group to end the sale and shipment of contraband cigarettes over the Internet and through the mail. Internet and mail order cigarette retailers operate in violation of numerous federal, state and local laws, including tax laws, age verification laws, delivery restrictions, reporting requirements, and federal wire fraud and mail fraud statutes.

In 2005, both DHL and UPS agreed to cease delivery of cigarettes to consumers throughout the United States. In addition, in March 2005, the major credit card companies all agreed to take steps to ensure that their credit card systems are not used to process payments that further illegal cigarette sales. Today's agreement means that the three major package delivery companies – FedEx, UPS and DHL – have all agreed to prohibit deliveries of cigarettes to individual consumers nationwide.

The New York Attorney General's Office took the lead in this project. The Tennessee

Attorney General's Office appreciates their efforts on behalf of the multistate group. As part of the group, Tennessee Attorney General Summers contacted FedEx in 2005 to urge them to participate in the multistate effort.